



9111-14

ADM-9-03 OT:RR:RD:TC
H248423 MCL

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Modification of National Customs Automation Program (NCAP) Test Concerning Automated Commercial Environment (ACE) Cargo Release for Ocean and Rail Carriers

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: General notice.

SUMMARY: This document announces U.S. Customs and Border Protection's (CBP's) plan to modify the National Customs Automation Program (NCAP) test concerning Cargo Release functionality in the Automated Commercial Environment (ACE). Originally, the test was known as the Simplified Entry Test because the test simplified the entry process by reducing the number of data elements required to obtain release for cargo transported by air. The test continues to be modified to provide more capabilities to test participants allowing CBP to deliver enhanced functionality. This notice modifies the ACE Cargo Release test to include expansion to the ocean and rail modes of transportation. This notice invites more participants to join the test.

DATES: The ACE Cargo Release test modifications set forth in this document are effective no earlier than January 5, 2014. The test will run until approximately November 1, 2015.

ADDRESSES: Comments or questions concerning this notice and indication of interest in participation in ACE Cargo Release should be submitted, via email, to Susan Maskell at susan.c.maskell@cbp.dhs.gov. In the subject line of your email, please use, "Comment on ACE Cargo Release". The body of the email should include information regarding the identity of the ports where filings are likely to occur.

FOR FURTHER INFORMATION CONTACT: For policy related questions, contact Stephen Hilsen, Director, Business Transformation, ACE Business Office, Office of International Trade, at stephen.r.hilsen@cbp.dhs.gov. For technical questions, contact Susan Maskell, Client Representative Branch, ACE Business Office, Office of International Trade, at susan.c.maskell@cbp.dhs.gov.

SUPPLEMENTARY INFORMATION:

Background

I. The National Customs Automation Program

The National Customs Automation Program (NCAP) was established in Subtitle B of Title VI—Customs Modernization, in the North American Free Trade Agreement Implementation Act (Pub. L. 103–182, 107 Stat. 2057, 2170, December 8, 1993) (Customs Modernization Act). See 19 U.S.C. 1411. Through NCAP, the initial thrust of customs modernization was on trade compliance and the development of the Automated Commercial Environment (ACE), the planned successor to the Automated Commercial System (ACS). ACE is an automated and electronic system for commercial trade processing which is intended to streamline business processes, facilitate growth in trade, ensure cargo security, and foster participation in global commerce, while ensuring compliance with U.S. laws and regulations and reducing costs for U.S. Customs and Border Protection (CBP) and all of its communities of interest. The ability to meet these objectives depends on successfully modernizing CBP’s business functions and the information technology that supports those functions.

CBP's modernization efforts are accomplished through phased releases of ACE component functionality designed to replace a specific legacy ACS function. Each release will begin with a test and, if the test is successful, will end with implementation of the functionality through the promulgation of regulations governing the new ACE feature and the retirement of the legacy ACS function.

The ACE Cargo Release test was previously known as the Simplified Entry Test because the test simplified the entry process by reducing the number of data elements required to obtain release for cargo transported by air. Through phased releases of ACE component functionality this test has been expanded to allow all eligible participants to join the test for an indefinite period regardless of the Customs-Trade Partnership Against Terrorism (C-TPAT) status of an importer self-filer or a customs broker.

For the convenience of the public, a chronological listing of **Federal Register** publications detailing ACE test developments is set forth below in Section VII, entitled, "Development of ACE Prototypes". The procedures and criteria applicable to participation in the prior ACE tests remain in effect unless otherwise explicitly changed by this or subsequent notices published in the **Federal Register**.

II. Authorization for the Test

The Customs Modernization Act provides the Commissioner of CBP with authority to conduct limited test programs or procedures designed to evaluate planned components of the NCAP. The test described in this notice is authorized pursuant to § 101.9(b) of title 19 of the Code of Federal Regulations (19 CFR 101.9(b)), which provides for the testing of NCAP programs or procedures. See Treasury Decision (T.D.) 95-21.

III. Expansion of ACE Cargo Release Test to Ocean and Rail Modes of Transportation

This document is announcing CBP's plan to expand the ACE Cargo Release test which allows for the filing capabilities by importers and customs brokers for cargo transported by air to include filing capabilities by importers and customs brokers for cargo transported by ocean and rail.

Eligibility Requirements

To be eligible to apply for this test, the applicant must: (1) be a self-filing importer who has the ability to file ACE Entry Summaries certified for cargo release or a broker who has the ability to file ACE Entry Summaries certified for cargo release; or (2) have evinced the intent to file entry summaries in ACE.

Parties seeking to participate in this test must use a software package that has completed Automated Broker Interface (ABI) certification testing for ACE and offers the simplified entry message set prior to transmitting data under the test. See the General Notice of August 26, 2008 (73 FR 50337) for a complete discussion on procedures for obtaining an ACE Portal Account. Importers not self-filing must be sure their broker has the capability to file entry summaries in ACE.

Document Image System (DIS)

Parties who file entry summaries in ACE are allowed to submit specified CBP and Partner Government Agency (PGA) documents via a CBP-approved Electronic Data Interchange (EDI). A current listing of those documents may be found on the following website:

http://www.cbp.gov/xp/cgov/trade/automated/modernization/ace_edi_messages/catair_main/abi_catair/catair_chapters/document_imaging_igs/.

DIS provides for the storage of all submitted documents in a secure centralized location for the maintenance of associations with ACE entry summary transactions.

See 78 FR 44142 (July 23, 2013).

Test Participation Selection Criteria

The ACE Cargo Release test is open to all importers and customs brokers filing ACE Entry Summaries for cargo transported in the ocean and rail modes. Please note that participants must meet the eligibility requirements mentioned above and set forth in 76 FR 69755 (November 9, 2011).

CBP will endeavor to accept all new eligible applicants on a first come, first served basis; however, if the volume of eligible applicants exceeds CBP's administrative capabilities, CBP will reserve the right to select eligible participants in order to achieve a diverse pool in accordance with the selection standards set forth in 76 FR 69755.

Any party seeking to participate in this test must provide CBP, in their request to participate, their filer code and the port(s) at which they are interested in filing ACE Cargo Release transaction data. At this time, ACE Cargo Release data may be submitted only for entries filed at certain ports. A current listing of those ports may be found on the following website:

http://www.cbp.gov/linkhandler/cgov/trade/automated/modernization/whats_new/info_notice_trade.ctt/info_notice_trade.pdf. CBP may expand to additional ports in the future.

Any changes and/or additions to the ports that are part of the ACE Cargo Release test will be posted to this page. See

http://www.cbp.gov/xp/cgov/trade/trade_transformation/simplified_entry/.

Filing Capabilities

The filing capabilities for the ACE Cargo Release test set forth in 78 FR 66039 (November 4, 2013) continue to apply and are now expanded to include importers and customs

brokers filing ACE Entry Summaries for cargo transported in the ocean and rail modes. The expansion of ACE Cargo Release filing capabilities for ocean and rail modes of transportation will allow for automated corrections and cancellations, split shipments, partial shipments, entry on cargo which has been moved by in-bond from the first U.S. port of unloading, entry for a full manifested bill quantity, and entries requiring Partner Government Agency (PGA) information, if the specified entries are covered in the Implementation Guidelines. See http://www.cbp.gov/xp/cgov/trade/automated/modernization/ace_edi_messages/catair_main/abi_catair/deployment_b/. These new capabilities include functionality specific to the filing and processing of type “01” (consumption) and type “11” (informal) commercial entries for ocean and rail modes of transportation. The ACE Cargo Release filing capabilities serve to assist the importer in completion of entry as required by the provisions of 19 U.S.C. 1484(a)(1)(B).

Data Elements to be Filed

In lieu of filing CBP Form 3461 data, the importer or broker acting on behalf of the importer must file the following 12 data elements (known as the ACE Cargo Release Data set) with CBP:

- (1) Importer of Record Number.
- (2) Buyer name and address.
- (3) Buyer Employer Identification Number (consignee number).
- (4) Seller name and address.
- (5) Manufacturer/supplier name and address.
- (6) HTS 10-digit number.
- (7) Country of origin.
- (8) Bill of lading/house air waybill number.

(9) Bill of lading issuer code.

(10) Entry number.

(11) Entry type.

(12) Estimated shipment value.

In the ocean and rail environment, the entry filer, at his option, may also provide the additional three (3) data elements:

(13) Ship to party name and address (optional).

(14) Consolidator name and address (optional).

(15) Container stuffing location (optional).

To enable enhanced functionality in ACE Cargo Release, the entry filer may provide an additional three (3) data elements in certain situations:

(16) Port of Entry (if an in-bond number is provided in the entry submission, the planned port of entry must also be provided).

(17) In-Bond (if applicable).

(18) Bill Quantity (if bill of lading quantity is specified in the entry, it becomes the entered and released quantity for that bill. If the bill quantity is not specified, full bill quantity will be entered and released for that bill).

Data element (1) and data elements (6) through (12) are defined in the same manner as when they are used for entry filing on the CBP Form 3461. Data elements (2) through (5) and (13) through (15) are defined in accordance with the provisions of 19 CFR 149.3.

The ACE Cargo Release Data set may be filed at any time prior to arrival of the cargo in the United States port of arrival with the intent to unlade. This data fulfills merchandise entry

requirements and allows for earlier release decisions and more certainty for the importer in determining the logistics of cargo delivery.

Functionality

Upon receipt of the ACE Cargo Release data, CBP will process the submission and will subsequently transmit its cargo release decision to the filer. If a subsequent submission is submitted to CBP, CBP's decision regarding the original submission is no longer controlling.

The merchandise will then be considered to be entered upon its arrival in the port with the intent to unlade, as provided by current 19 CFR 141.68(e).

Test Duration

This ACE Cargo Release test modifications set forth in this document are effective no earlier than January 5, 2014. The test will run until approximately November 1, 2015, and is open to type "01" (consumption) and type "11" (informal) commercial entries filed in the ocean and rail modes of transportation at specified ports. Expansion to other modes will be announced via a separate **Federal Register** notice.

IV. Misconduct under the Test

The terms for misconduct under the ACE Cargo Release Test set forth in 78 FR 66039 (November 4, 2013) continue to apply and are now expanded to include importers and customs brokers filing ACE Entry Summaries for cargo transported in the ocean and rail modes.

V. Previous Notices

All requirements and aspects of the ACE test discussed in previous notices are hereby incorporated by reference into this notice and continue to be applicable, unless changed by this notice.

VI. Paperwork Reduction Act

The collection of information contained in this ACE Cargo Release test have been approved by the Office of Management and Budget (OMB) in accordance with the requirements of the Paperwork Reduction Act (44 U.S.C.3507) and assigned OMB number 1651–0024.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

VII. Development of ACE Prototypes

A chronological listing of **Federal Register** publications detailing ACE test developments is set forth below.

- ACE Portal Accounts and Subsequent Revision Notices: 67 FR 21800 (May 1, 2002); 70 FR 5199 (February 1, 2005); 69 FR 5360 and 69 FR 5362 (February 4, 2004); 69 FR 54302 (September 8, 2004).
- ACE System of Records Notice: 71 FR 3109 (January 19, 2006).
- Terms/Conditions for Access to the ACE Portal and Subsequent Revisions: 72 FR 27632 (May 16, 2007); 73 FR 38464 (July 7, 2008).
- ACE Non-Portal Accounts and Related Notice: 70 FR 61466 (October 24, 2005); 71 FR 15756 (March 29, 2006).
- ACE Entry Summary, Accounts and Revenue (ESAR I) Capabilities: 72 FR 59105 (October 18, 2007).
- ACE Entry Summary, Accounts and Revenue (ESAR II) Capabilities: 73 FR 50337 (August 26, 2008); 74 FR 9826 (March 6, 2009).
- ACE Entry Summary, Accounts and Revenue (ESAR III) Capabilities: 74 FR 69129 (December 30, 2009).

- ACE Entry Summary, Accounts and Revenue (ESAR IV) Capabilities: 76 FR 37136 (June 24, 2011).
- Post-Entry Amendment (PEA) Processing Test: 76 FR 37136 (June 24, 2011).
- ACE Announcement of a New Start Date for the National Customs Automation Program Test of Automated Manifest Capabilities for Ocean and Rail Carriers: 76 FR 42721 (July 19, 2011).
- ACE Simplified Entry: 76 FR 69755 (November 9, 2011).
- National Customs Automation Program (NCAP) Tests Concerning Automated Commercial Environment (ACE) Document Image System (DIS): 77 FR 20835 (April 6, 2012).
- National Customs Automation Program (NCAP) Tests Concerning Automated Commercial Environment (ACE) Simplified Entry: Modification of Participant Selection Criteria and Application Process: 77 FR 48527 (August 14, 2012).
- Modification of NCAP Test Regarding Reconciliation for Filing Certain Post-Importation Preferential Tariff Treatment Claims under Certain FTAs: 78 FR 27984 (May 13, 2013).
- Modification of Two National Customs Automation Program (NCAP) Tests Concerning Automated Commercial Environment (ACE) Document Image System (DIS) and Simplified Entry (SE): 78 FR 44142 (July 23, 2013).
- Modification of Two National Customs Automation Program (NCAP) Tests Concerning Automated Commercial Environment (ACE) Document Image System (DIS) and Simplified Entry (SE); Correction: 78 FR 53466 (August 29, 2013).
- Modification of NCAP Test Concerning Automated Commercial Environment (ACE) Cargo Release (formerly known as Simplified Entry): 78 FR 66039 (November 4, 2013).

- Post-Summary Corrections to Entry Summaries Filed in ACE Pursuant to the ESAR IV Test: Modifications and Clarifications: 78 FR 69434 (November 19, 2013).
- National Customs Automation Program (NCAP) Test Concerning the Submission of Certain Data Required by the Environmental Protection Agency and the Food Safety and Inspection Service Using the Partner Government Agency Message Set Through the Automated Commercial Environment (ACE): 78 FR 75931 (December 13, 2013).

Date: January 28, 2014

Richard F. DiNucci

Acting Assistant Commissioner
Office of International Trade

[FR Doc. 2014-02218 Filed 01/31/2014 at 8:45 am; Publication Date: 02/03/2014]